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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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EXAMINER

MEINICKE DIAZ, SUSANNA M

ART UNIT

PAPER NUMBER

3692

NOTIFICATION DATE

DELIVERY MODE

04/03/2009

ELECTRONIC

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

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Office Action Summary

Application No.

10/785,330

Applicant(s)

BUXTON, OLLY

Examiner

Susanna M. Diaz

Art Unit

3692

Period for Reply -- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 07 January 2009.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-3 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-3 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☒ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SF/ICE)
- 4) ☐ Interview Summary (PTO-413)
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: _____
- Paper No(s)/Mail Date _____

DETAILED ACTION

Continued Examination Under 37 CFR 1.114

1. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on January 7, 2009 has been entered.

Claim 1 has been amended.

Claims 1-3 are presented for examination.

Response to Arguments

2. Applicant's arguments with respect to claims 1-3 have been considered but are moot in view of the new and revised ground(s) of rejection, which are necessitated by Applicant's claim amendments.

Specification

3. The disclosure is objected to because of the following informalities:

Tables contained in the specification must conform to general specification content and arrangement guidelines. Some of the tables in the specification are sideways (e.g., see pages 130, 131, and 133) and therefore do not conform to specification guidelines.

Appropriate correction is required.

Oath/Declaration

4. The oath or declaration is defective. A new oath or declaration in compliance with 37 CFR 1.67(a) identifying this application by application number and filing date is required. See MPEP §§ 602.01 and 602.02.

The oath or declaration is defective because:
Non-initialed and/or non-dated alterations have been made to the oath or declaration. See 37 CFR 1.52(c).

Claim Rejections - 35 USC § 101

5. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

6. Claims 1-3 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

A claimed process is eligible for patent protection under 35 U.S.C. § 101 if:

"(1) it is tied to a particular machine or apparatus, or (2) it transforms a particular article into a different state or thing. See Benson, 409 U.S. at 70 ('Transformation and reduction of an article 'to a different state or thing' is the clue to the patentability of a process claim that does not include particular machines.');

Diehr, 450 U.S. at 192 (holding that use of mathematical formula in process 'transforming or reducing an article to a different state or thing' constitutes patent-eligible subject matter); see also Flook, 437 U.S. at 589 n.9 ('An argument can be made [that the Supreme] Court has only recognized a process as within the statutory definition when it either was tied to a particular apparatus or operated to change materials to a 'different state or thing' '); Cochrane v. Deener, 94 U.S. 780, 788 (1876) ('A process

is...an act, or a series of acts, performed upon the subject-matter to be transformed and reduced to a different state or thing.').⁷ A claimed process involving a fundamental principle that uses a particular machine or apparatus would not pre-empt uses of the principle that do not also use the specified machine or apparatus in the manner claimed. And a claimed process that transforms a particular article to a specified different state or thing by applying a fundamental principle would not pre-empt the use of the principle to transform any other article, to transform the same article but in a manner not covered by the claim, or to do anything other than transform the specified article." (*In re Bilski*, 88 USPQ2d 1385, 1391 (Fed. Cir. 2008))

Also noted in *Bilski* is the statement, "Process claim that recites fundamental principle, and that otherwise fails 'machine-or-transformation' test for whether such claim is drawn to patentable subject matter under 35 U.S.C. §101, is not rendered patent eligible by mere field-of-use limitations; another corollary to machine-or-transformation test is that recitation of specific machine or particular transformation of specific article does not transform unpatentable principle into patentable process if recited machine or transformation constitutes mere 'insignificant post-solution activity.'" (*In re Bilski*, 88 USPQ2d 1385, 1385 (Fed. Cir. 2008)) Examples of insignificant post-solution activity include data gathering and outputting. Furthermore, the machine or transformation must impose meaningful limits on the scope of the method claims in order to pass the machine-or-transformation test. Please refer to the USPTO's "Guidance for Examining Process Claims in view of *In re Bilski*" memorandum dated January 7, 2009, http://www.uspto.gov/web/offices/pac/dapp/opla/documents/bilski_guidance_memo.pdf.

It is also noted that the mere recitation of a machine in the preamble in a manner such that the machine fails to patentably limit the scope of the claim does not make the claim statutory under 35 U.S.C. § 101, as seen in the Board of Patent Appeals Informative Opinion *Ex parte Langemyr et al.* (Appeal 2008-1495), <http://www.uspto.gov/web/offices/dcom/bpail/its/fd081495.pdf>.

Claims 1-3 are not tied to a particular machine or apparatus nor do they transform a particular article into a different state or thing, thereby failing the machine-or-transformation test. The receipt of data with a computer is merely insignificant extra-solution activity. The steps of calculating and processing "with a computer" could be interpreted as a human user reading data off of a computer screen and the human user performing the calculations and processing. It is noted that "by a computer" would be preferable language for conveying that the computer itself actively performs the recited functionality. Therefore, claims 1-3 are non-statutory under § 101.

Appropriate correction is required.

Claim Rejections - 35 USC § 103

7. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

8. Claims 1-3 are rejected under 35 U.S.C. 103(a) as being unpatentable over Bahar (US 2002/0143687 A1) in view of Rutter, James. "Repackaging of All Kinds of Credits." Euromoney. London, Issue 339, Page 29, July 1997.

Bahar discloses a method implemented by a programmed computer system, comprising:

[Claim 1] receiving with a computer data regarding a first issuer bound by regulations of a first jurisdiction (Figs. 2, 4(b), 4(c), 5; ¶¶ 18, 19, 21, 31-33, 38-39, 43);

receiving with a computer data regarding a second issuer bound by regulations of a second jurisdiction, wherein the first jurisdiction and the second jurisdiction are distinct from one another (Figs. 2, 4(b), 4(c), 5; ¶¶ 18, 19, 21, 31-33, 38-39, 43 – In Fig. 4(b), items 1 and 2 fall under the jurisdiction of New York, NY, while Item 3 falls under New York, NY, Hackensack, NJ, and/or Miami, FL);

receiving with a computer data regarding a first multi-jurisdictional program contract entered into between the first issuer acting as a debtor and at least one multi-jurisdictional program contract counterparty for sale of at least one note issued by the first issuer, wherein each first multi-jurisdictional program contract counterparty is selected from the group consisting of: a trustee, a principal paying agent, a custodian, a paying agent, a transfer agent, an arranger, a calculation agent, a disposal agent, a process agent and a swap counterparty (Figs. 2, 4(b), 4(c), 5; ¶¶ 18, 19, 21, 31-33, 38-39, 43 – The specific type of counterparty does not affect the structural elements or the manipulative steps of the claimed invention and therefore will not serve to patentably distinguish the claimed invention over the prior art, as discussed in more detail below);

receiving with a computer data regarding a second multi-jurisdictional program contract entered into between the second issuer acting as a debtor and at least one multi-jurisdictional program contract counterparty for the sale of at least one note issued by the second issuer, wherein each second multi-jurisdictional program contract counterparty is selected from the group consisting of: a trustee, a principal paying agent, a custodian, a paying agent, a transfer agent, an arranger, a calculation agent, a disposal agent, a process agent and a swap counterparty (Figs. 2, 4(b), 4(c), 5; ¶¶ 18, 19, 21, 31-33, 38-39, 43 – The specific type of counterparty does not affect the structural elements or the manipulative steps of the claimed invention and therefore will not serve to patentably distinguish the claimed invention over the prior art, as discussed in more detail below);

receiving with a computer data regarding the purchase of each note by a noteholder (¶¶ 29-37 – Bids to purchase each note are entered);

calculating with a computer payments due each noteholder based at least in part upon the input data regarding the purchase of each note (¶¶ 29-37 – Bids to purchase each note are entered. The winning bid indicates payments due upon purchase of each note);

processing the calculated payments with a computer to provide the payments to the noteholders (¶¶ 35, 37 – Bad debt items are sold to the winning bidder, thereby implying that payments to the noteholders are made in exchange for the bad debt items);

[Claim 2] wherein each first multi-jurisdictional program contract counterparty is the same entity as each corresponding second multi-jurisdictional program contract counterparty (Fig. 4(b); ¶¶ 31-33 – A single party may purchase various bad debt items in the form of a lot);

[Claim 3] wherein the steps are carried out in the order recited (Figs. 6(a)-6(c)).

It is noted that most of the details recited in claims 1-3 do not affect the scope of the manipulative steps of the invention. The first four steps of independent claim 1 involve the steps of receiving data with a computer; however, the details of the data amount to non-functional descriptive material. Even though Bahar does not explicitly disclose all of the details of the received data, these differences are only found in the non-functional descriptive material and are not functionally involved in the manipulative steps of the invention nor do they alter the recited structural elements; therefore, such differences do not effectively serve to patentably distinguish the claimed invention over the prior art. The manipulative steps of the invention would be performed the same regardless of the specific data. Further, the structural elements remain the same regardless of the specific data. Thus, this descriptive material will not distinguish the claimed invention from the prior art in terms of patentability as the claimed invention fails to present a new and unobvious functional relationship between the descriptive material and the substrate, *see In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983); *In re Lowry*, 32 F.3d 1579, 32 USPQ2d 1031 (Fed. Cir. 1994); *In re Ngai*, 367 F.3d 1336, 1336, 70 USPQ2d 1862, 1863-64 (Fed. Cir. 2004); MPEP § 2106.

For example, the fact that the first and second issuers act as debtors has no bearing on how data is received in the first four limitations of claim 1 nor is the received data in the first four limitations specifically used to perform any subsequent functionality that is intrinsically dependent on the particular type of data received in the first four limitations of claim 1. The fifth step of "receiving with a computer data regarding the purchase of each note by a noteholder" does require purchase data that is subsequently utilized in the calculating steps since the received purchase data is specifically used to calculate payments due each noteholder; however, only the data needed to perform the recited calculations is functional, descriptive material. In both steps of calculating, payments due each noteholder of a note issued by the first issuer and payments due each noteholder of a note issued by the second issuer are calculated. Out of the recited contractual details, the only contributing quantitative values (in terms of calculating payments due) are principal and interest on each respective note. The nature of the owner of the debt does not affect the actual calculations themselves.

Nevertheless, the Examiner submits that the contractual details recited in claim 1 may effectively be directly toward the use of a special purpose vehicle (special purpose entity) to repackage debt securities. Rutter discusses an arrangement in which a special purpose vehicle is established to repackage debt obligations and sell them as notes (Rutter: ¶¶ 7, 9, 11, 14, 17). The benefit of such an arrangement is that it passes on the risks of the assets to the investor, but in a manner that is more "palatable" to the investor (Rutter: ¶ 11). "Snap [the structured note asset packaging vehicle] purchases the underlying securities, which are held in trust by Chase. It then enters into a basis

swap with ING Barings, exchanging the cash flows on the loans for the cash flows needed to match payments on the bonds." (Rutter: ¶¶ 11) According to Rutter, "Snap was one of the first vehicles to have a trust structure allowing it to ringfence underlying assets into separate new issues. 'There is no risk of other securities polluting the issue,' says Thomas. This gives the programme added flexibility, and investors the exact risk profile they seek." (Rutter: ¶¶ 7) In this scenario, Snap effectively becomes an issuer for each debt and ING Barings becomes the counterparty (more particularly, a swap counterparty). By "exchanging the cash flows on the loans for the cash flows needed to match payments on the bonds" (Rutter: ¶¶ 11), Snap is effectively acting as a debtor that promises to pay at least principal and interest on the note it issued. Both Bahar and Rutter seek to make securitized debt (which implies debt and principal repayment) a more enticing investment for investors; therefore, the Examiner submits that it would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to modify Bahar's debt securitization process to go through a special purpose vehicle/entity (as taught by Rutter) such that the first and second issuers each, in acting as a debtor, promise to pay at least principal and interest on the note issued by the first/second issuer, wherein the data regarding the first/second multi-jurisdictional program contract includes the promise by the first/second issuer to pay at least principal and interest on the note issued by the first/second issuer and wherein each first/second multi-jurisdictional program contract counterparty is selected from the group consisting of a trustee, a principal paying agent, a custodian, a paying agent, a transfer agent, an arranger, a calculation agent, a disposal agent, a process agent and a swap

counterparty and calculating with a computer payments due each noteholder of a note issued by the first/second issuer based at least in part upon the data regarding the purchase of each note issued by the first/second issuer and the data regarding the promise by the first/second issuer to pay at least principal and interest on the note issued by the first/second issuer (claim 1) in order to assist an original owner of debt in convincing investors to purchase a securitized form of the debt (as explained in Rutter) while shielding the original owner of debt from excessive risk through use of the special purpose entity/vehicle (which is a well-known advantage of establishing special purpose entities/vehicles). Furthermore, Bahar specifically addresses the concern that arises in enforcing debt obligations in multiple jurisdictions while Rutter describes various international transactions, thereby lending further support to Examiner's assertion that both references handle analogous types of transactions and each reference provides solutions that are pertinent to the problems presented in the other reference.

Claim 2 clarifies that "each first multi-jurisdictional program contract counterparty is the same entity as each corresponding second multi-jurisdictional program contract counterparty"; however, the nature of the counterparties does not have any bearing on how the manipulative steps of the invention are performed. Furthermore, many of the recited claim details merely reflect contractual terms and agreements. Beyond receiving various pieces of data, the main manipulative steps of the claimed invention involve calculating payment due each noteholder and processing the calculated payments to the noteholders. To perform these manipulative steps of the claimed invention, only "data regarding the purchase of each note by a noteholder" is required to

complete the recited calculation. The nature of the various entities recited does not affect how data is received or any of the calculations or processing of payments; therefore, the descriptive details of the recited entities will not serve to patentably distinguish the claimed invention over the prior art unless such descriptive details are somehow recited in a manner that is specifically crucial to the operation of a manipulative step or steps of the claimed invention. Nevertheless, in one of Rutter's scenarios, ING Barings is the swap counterparty for all of the swaps with Snap (Rutter: ¶ 11), thereby implying that ING Barings is the same contract counterparty for two or more transactions. Both Bahar and Rutter seek to make securitized debt (which implies debt and principal repayment) a more enticing investment for investors; therefore, the Examiner submits that it would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to modify Bahar's debt securitization process to go through a special purpose vehicle/entity (as taught by Rutter) such that each first multi-jurisdictional program contract counterparty is the same entity as each corresponding second multi-jurisdictional program contract counterparty in order to assist an original owner of debt in convincing investors to purchase a securitized form of the debt (as explained in Rutter) while shielding the original owner of debt from excessive risk through use of the special purpose entity/vehicle (which is a well-known advantage of establishing special purpose entities/vehicles) and promoting good business relationships among entities that commonly work together.

Double Patenting

9. The nonstatutory double patenting rejection is based on a judicially created doctrine grounded in public policy (a policy reflected in the statute) so as to prevent the unjustified or improper timewise extension of the "right to exclude" granted by a patent and to prevent possible harassment by multiple assignees. A nonstatutory obviousness-type double patenting rejection is appropriate where the conflicting claims are not identical, but at least one examined application claim is not patentably distinct from the reference claim(s) because the examined application claim is either anticipated by, or would have been obvious over, the reference claim(s). See, e.g., *In re Berg*, 140 F.3d 1428, 46 USPQ2d 1226 (Fed. Cir. 1998); *In re Goodman*, 11 F.3d 1046, 29 USPQ2d 2010 (Fed. Cir. 1993); *In re Longi*, 759 F.2d 887, 225 USPQ 645 (Fed. Cir. 1985); *In re Van Ornum*, 686 F.2d 937, 214 USPQ 761 (CCPA 1982); *In re Vogel*, 422 F.2d 438, 164 USPQ 619 (CCPA 1970); and *In re Thorington*, 418 F.2d 528, 163 USPQ 644 (CCPA 1969).

A timely filed terminal disclaimer in compliance with 37 CFR 1.321(c) or 1.321(d) may be used to overcome an actual or provisional rejection based on a nonstatutory double patenting ground provided the conflicting application or patent either is shown to be commonly owned with this application, or claims an invention made as a result of activities undertaken within the scope of a joint research agreement.

Effective January 1, 1994, a registered attorney or agent of record may sign a terminal disclaimer. A terminal disclaimer signed by the assignee must fully comply with 37 CFR 3.73(b).

10. Claims 1-3 are provisionally rejected on the ground of nonstatutory obviousness-type double patenting as being unpatentable over claims 1-3 of copending Application No. 11/175,501. Claims 1-3 of the instant application are fully anticipated by claims 1-3 of copending Application No. 11/175,501. Elimination of an element or its functions is deemed to be obvious in light of prior art teachings of at least the recited element or its functions (see *In re Karlson*, 136 USPQ 184, 186; 311 F.2d 581 (CCPA 1963)).

This is a provisional obviousness-type double patenting rejection.

Conclusion

11. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Susanna M. Diaz whose telephone number is (571) 272-6733. The examiner can normally be reached on Monday-Friday, 8 am - 4:30 pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Kambiz Abdi can be reached on (571) 272-6702. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Susanna M. Diaz/
Primary Examiner, Art Unit 3692